

SECOND SET OF INFORMATION REQUESTS OF THE
DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY
TO
BOSTON GAS COMPANY

D.T.E. 05-66

Respondent: Joseph F. Bodanza

Information Request DTE 2-5

Q. Please provide all supporting workpapers and calculations used to determine that bad-debt writeoffs related to gas costs increased to 60.6 percent for the period November 2004 through October 2005.

A. Although the Department does not provide a reference for the 60.6 percent, the Company is assuming that the Department is referring to the 60.6 percent "Bad Debt Allocation Factor" set forth in the 2004-05 Peak GAF Filing, at page 4. This page is provided herewith as Attachment DTE-2-5(a).

In that filing, the Company derived the gas-cost ratio of 60.6 percent (used to project gas-cost related bad debt) by totaling the disaggregated gross monthly chargeoffs for the months January through December 2003 and calculating the ratio based on those totals. The monthly data became available through CRIS for calendar year 2003 following the completion of the CRIS system programming in June 2004. The Company prepared the 2004-05 Peak GAF filing for submission to the Department in late August 2004. Therefore, the Company was able to retrieve the totals from CRIS for the 2003 time period using the new program. The totals provided by CRIS are those that are set forth on the bottom of the page (lines 40-51).

The Company performed the same calculation in preparing the 2005-06 Peak GAF filing submitted on September 16, 2005. Attachment DTE 2-5(b) shows that "Bad Debt Allocation Factor" of 64.8 percent set forth in the 2005-06 Peak GAF Filing, at page 4. Please note that the figures for the months of June through December 2004 (lines 45-51) are the same figures listed for those months on the attachment to Information Request DTE 2-4.

To facilitate the Department's analysis, the Company has provided Attachment DTE 2-5(c) listing all of the totals retrieved from the CRIS system and showing the computation of the "ratio of the actual level of gross writeoffs tracked for gas costs during the previous year to the total level of writeoffs during the same time period," as directed by the Department in D.T.E. 03-40.

